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March 2, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

Governor Calls for Signature Gathering on Reform Initiatives

Yesterday, Governor Schwarzenegger announced that he would start collecting signatures for reform ballot measures for a potential special election in November of this year. According to press reports on his news conference, the initiatives are "aimed at changing the state's public pension funds, changing how teachers are paid and revising how political districts are drawn." Additionally, the Governor is urging a reform of State budgeting in the form of stricter spending caps and automatic across-the-board reductions in expenditures if a State budget is not passed on time. The Governor noted that gathering signatures was necessary because negotiations with legislative leaders and interest groups have been unfruitful thus far.

However, it is unclear at this point which measures the Governor is actually supporting. To date, the Governor has yet to choose from several proposed versions of the reform proposals, some of which have been cleared for signature gathering while others are pending review by the Attorney General's office.

In response to the Governor's desire to go directly to the voters, Democrats contended that it was hard to negotiate because the Governor's proposals lack specificity. Democrats also contended that a special election may cost as much as \$70 million.

Status of County-Sponsored Legislative Proposals

February 22, 2005 was the deadline for the introduction of new bills, and our Sacramento Advocates have been able to secure authors for the following County-sponsored proposals:

- **AB 1285 (Montañez) -- Expand Participation in the Child Care Retention Program.** At this time, this measure is a spot bill to accomplish the County's objective of expanding eligibility for participation in the Investing in Early Educators stipend program. However, the author has indicated that the issue may be included in another bill (AB 788) that she is authoring related to child care. Both bills, AB 1285 and AB 788, are pending referral to policy committees.
- **SB 656 (Romero) -- Local Alcohol Tax Authority.** The measure would allow a county board of supervisors to place on the ballot a local tax of up to 5 percent on the sale of alcoholic beverages. The bill is pending referral by the Senate Rules Committee.
- **SB 945 (Soto) -- Names-Based HIV Reporting.** The measure is a spot bill subject to further development and negotiation with opponents of the proposal. The bill is pending referral by the Senate Rules Committee.

Accordingly, our Sacramento Advocates will be supporting AB 1285, SB 656, and SB 845.

We were unable to secure authors for proposals related to the clarification of documentary transfer taxes, SB 1732 funding for the LAC+USC Medical Center Replacement Project, the Fiscal Year 2006-07 sunset of the Property Tax Administration Program (PTAP), changes in mandatory retirement age of the fire chief, and access to school records for child death review teams.

Regarding the documentary tax transfer issue, County staff will be working with the County Recorders Association of California to develop a consensus approach to this issue with legislative action considered at a later date. With respect to State education funding for the Los Angeles County College of Nursing, we are pursuing this issue within the context of the Schwarzenegger Administration's budget proposal to utilize a portion of Workforce Investment Act (WIA) funds to increase nurse training slots. On the issue of repealing the 2006 sunset of the PTAP, County staff will be working with the California Assessor's Association on pursuing this legislation next year. The primary effort this year will be focused on restoring the proposed reduction in the Governor's Budget which would reduce the County's allocation of funds by \$1.4 million.

Our Sacramento Advocates will continue to pursue legislative options for our remaining issues.

Each Supervisor
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We will continue to keep you advised.

DEJ:GK
MAL:JF:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants